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PART II—Section 4

**Statutory Rules and Orders issued by the
Ministry of Defence**

MINISTRY OF DEFENCE

New Delhi, the 20th October 1964

S.R.O. 368.—The following draft of certain rules further to amend the Cantonment Fund Servants Rules, 1937, which the Central Government proposes to make, in exercise of the powers conferred by clause (c) of sub-section (2) of section 280 of the Cantonments Act, 1924 (2 of 1924), is published as required by sub-section (1) of the said section for the information of all persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration on or after the 30th day from the date of publication of this notification.

2. Any objection or suggestion which may be received from any person with respect to the said draft, before the date so specified, will be considered by the Central Government.

DRAFT RULES

1. These rules may be called the Cantonment Fund Servants (Amendment) Rules, 1964.

2. In the Cantonment Fund Servants Rules, 1937—

(1) in rule 7—

(a) for sub-rules (1) and (2) the following sub-rules shall be substituted, namely:—

“(1) Subject to the provision of rule 9, all servants whose pay on appointment does not exceed Rs. 100 per mensem shall be appointed by the Executive Officer and all other servants shall be appointed by the Board.

(2) The Executive Officer shall—

(a) prescribe the duties of, and exercise supervision and control over the acts and proceedings of all servants;

(b) disburse, in person, the salaries of all servants;

(c) subject to the rules in this behalf, dispose of all questions including conditions of service particularly the pay, privileges and allowances relating to the service of all servants;

- (d) deal with applications for leave of absence from, and, subject to the provisions of sub-rule (1) and other rules in this behalf, make officiating appointments, in vacancies caused by the grant of leave to all servants;

Provided that in respect of servants employed in any Cantonment hospital or dispensary, the Medical Officer in charge thereof shall perform the functions referred to in clauses (a) and (b).

- (b) in sub-rule (3): for the words "any Provincial Government or any Board or local authority or has been sentenced by a criminal court to imprisonment or to transportation" the words "any State Government or any local authority, Corporation or other public undertaking or has been sentenced by a criminal court to imprisonment" shall be substituted.

(2) for rule 8 the following rule shall be substituted, namely:—

"8. (1) The Board or the Officer appointing a servant may discharge such servant—

- (a) during or at the end of his period of probation;
- (b) on his being declared by a medical Officer approved by the Board to be medically unfit for further service;
- (c) at any time after he has attained the age of 55 years or has completed 30 years' qualifying service;
- (d) in accordance with the terms of a written contract, if any, between such servant and the Board; or
- (e) in pursuance of a reduction or revision of establishment,

and not otherwise.

- (2) A servant in receipt of a monthly wage, who is discharged under clause (a) of sub-rule (1), shall, in the absence of a written contract to the contrary, be entitled to one month's notice before discharge or to one month's salary in lieu thereof; and a servant not having attained the age of fifty eight years who is discharged in pursuance of clause (c) or clause (e) of the said sub-rule shall, in the absence of a written contract to the contrary be entitled to three months' notice before discharge or three months' salary in lieu thereof:

Provided that before a servant is discharged under clause (a) of the said sub-rule he shall be apprised of the grounds on which it is proposed to discharge him and given an opportunity of showing cause against it.

- (3) There shall be paid to a servant not having attained the age of fifty five years who is discharged in pursuance of clause (b) or clause (e) of sub-rule (1) a compensatory gratuity calculated at the rate of half a month's pay for each complete year of qualifying service subject to a maximum of six months' pay where his qualifying service has been less than 15 years, and twelve months pay where his qualifying service has been more than 15 years, and subject also to the condition that the amount of gratuity payable shall not exceed the total amount of pay which the servant would have drawn during the period subsequent to the date of his discharge, had he remained in service until he attained the age of 55 years:

Provided that no gratuity shall be paid, if—

- (a) the servant has been offered and has refused an alternative appointment on approximately equal pay under the Board, which, in the opinion of the Board, was of a suitable nature; or
- (b) the servant's service has not, in the opinion of the Board, been efficient and faithful.

Explanation.—For the purpose of this sub-rule—

- (a) "qualifying service" means continuous service under the Board or Boards and where there has been a break in service, the last period of continuous service, unless the break in service is condoned with the previous sanction of the Officer Commanding-in-Chief the Command:

Provided that the Board may, in its discretion, include in the computation of qualifying service the amount of any leave earned but not availed of by the servant concerned.

- (b) "pay" means substantive pay at the rate applicable to the servant concerned at the time of his discharge.
- (4) The Board may, in its discretion, grant leave to any of its servants not having attained the age of fifty-five years who is discharged in pursuance of clause (e) of sub-rule (1) upto the full amount due subject to the maximum of the leave admissible to him under the Fundamental Rules at any one time and such leave shall commence from the commencement of the three months' notice referred to in sub-rule (2).
- (5) A temporary servant or a servant on probation shall not, in the absence of a written contract authorising him so to do and without reasonable cause resign his employment or absent himself from his duties without giving atleast one month's notice to the Board and no other servant shall, without reasonable cause resign his employment or absent himself from his duties without giving three months' notice to the Board; and if notice as aforesaid is not given, the servant shall be liable to forfeit such sum not exceeding one month's or three months' salary as the case may be, as the Board may, by general or special order, direct. The Board, may recover such salary from any sum due from the Board to the servant or from the amount of subscription made by the servant to his Provident Fund Account:

Provided that a servant may, at any time after attaining the age of fifty-five years or completing 30 years of qualifying service, leave the service of the Board on giving three months' notice to the Board."

(3) in rule 9, for the words "the President shall appoint such temporary servants" the words "the President may appoint such temporary servants for an aggregate period not exceeding four months" shall be substituted;

(4) for rule 11, the following rule shall be substituted, namely:—

"11. The following penalties may, for good and sufficient reasons to be recorded in writing, be imposed on a servant by the Board, namely:—

- (i) censure;
- (ii) fine;
- (iii) withholding of increment or promotion, including stoppage of efficiency bar;
- (iv) reduction to a lower post or time-scale or to a lower stage in a time-scale;
- (v) recovery from the salary or any other sum due to him or from the amount standing at his credit in his provident fund account, the whole or part of any pecuniary loss caused to the Board by negligence or breach of orders on his part;
- (vi) suspension;
- (vii) removal or dismissal from the service of the Board:

Provided that the powers of the Board under this rule may be exercised by the Executive Officer in respect of any servant appointed by him:

Provided further that in the case of a servant who is in receipt of a monthly pay exceeding one hundred rupees, the powers relating to reduction or removal or dismissal from service shall be exercised only by the Board:

Provided also that—

- (i) no fine shall be imposed on any servant other than a lower grade servant and in no case shall the aggregate of fines in any one month exceed such limit as may, from time to time, be specified by the Central Government;
- (ii) no servant shall be removed or dismissed otherwise than on proof of dishonesty or of repeated neglect or disobedience of orders, or of continued inefficiency or of insolvency or habitual indebtedness or of any other circumstance by reason of which the Board

or the Executive Officer, as the case may be, is of opinion that his retention in service would be detrimental to the efficient administration of the Cantonment; and

(iii) a list of all punishments inflicted under this rule by the Executive Officer shall be submitted monthly to the Board."

(5) after rule 11, the following rule shall be inserted, namely:—

"11A. (1) No order imposing any of the penalties other than dismissal, removal or reduction, specified in rule 11 (other than an order based on facts which have led to his conviction by a criminal court or an order superseding him for promotion to a higher post on the grounds of his unfitness for that post) shall be passed unless the servant affected has been given an adequate opportunity of making any representation that he may desire to make and such representation, if any, has been taken into consideration:

Provided that the observance of this sub-rule shall not be necessary for placing a servant under suspension, and where there is any difficulty in observing the provisions of the sub-rule, the same, for reasons to be recorded, be waived without causing injustice to the servant concerned.

(2) A copy of the order so passed and grounds thereof shall be delivered to the servant personally or by registered post.

(3) A servant superseded for promotion to a higher post may ask, in writing, for grounds as to why he has not been promoted, and the Board shall state the ground or grounds for his information."

(6) in rule 12—

(i) in sub-rule (1)—

(a) at the end of first paragraph the following shall be added at the end, namely:—

"The proceedings shall be completed within four months from the date of suspension of the servant or communication of the charge or charges on which it is proposed to take action against him, whichever is earlier:

Provided that on representation by the Board supported by reasons for the delay in completion of the proceedings, the Officer Commanding-in-Chief the Command may, if he thinks fit, extend the period for completion of the proceedings, whether the aforesaid period of, four months has expired or not."

(b) the second paragraph shall be omitted;

(ii) for sub-rules (2) the following sub-rules shall be substituted, namely:—

"(2) A copy of the findings and the grounds thereof shall be delivered to the servant personally or by registered post.

(3) In the event of the servant appealing, the whole proceedings, together with his service book, if any, shall be forwarded with the memorandum of appeal.

(4) The provisions of sub-rules (1) and (2) shall not apply where the person concerned has absconded, or where it is for other reasons impracticable to communicate with him. Where there is a difficulty in observing fully the requirements of the said sub-rules, all or any of the provisions of the said sub-rules may, for special and sufficient reasons to be recorded in writing, be waived, if no injustice is likely to be caused to the person charged."

(iii) Sub-rule (3) shall be renumbered as rule 12-A.

(7) for rules 13, 14 and 15 the following rules shall be substituted, namely:—

"(13) (1) Any servant on whom any of the penalties specified in rule 11 has been imposed by the Executive Officer, shall be entitled to appeal to the Board within 30 days of delivery of the document showing the grounds on which the penalty was imposed and a copy of the decision of the Board thereon shall be delivered to him personally or by registered post.

- (2) Any such servant who has been reduced, removed or dismissed shall be entitled, within 30 days of the date of delivery of the copy of the decision of the Board rejecting his appeal, to submit a further appeal to the Officer Commanding-in-Chief, the Command, whose decision shall be final."

"14. (1) Any servant on whom any of the penalties specified in rule 11 has been imposed by the Board shall, within 30 days of the date of delivery of the copy of the document showing the grounds on which the penalty has been imposed, be entitled to appeal to the Officer Commanding-in-Chief, the Command, and the decision of the Officer Commanding-in-Chief the Command shall be subject to the provisions of rule 15, be final.

- (2) A copy of the order passed by the Officer Commanding-in-Chief the Command shall be delivered to him personally or by registered post."

"15(1) Any person on whom a penalty has been imposed by the Board and who is aggrieved by the orders of the Officer Commanding-in-Chief the Command, under rule 14 may, within thirty days of the delivery to him of such orders, submit an application to the Central Government which may after such enquiry as it deems fit revise such orders, if it is satisfied that the Board or the said officer has acted illegally or with material irregularity.

- (2) Every such application shall be accompanied by a copy of the order of the Officer Commanding-in-Chief, the Command, against which such application is made and shall be submitted through the Board and the Officer Commanding-in-Chief, the Command. While forwarding the application, the Board shall attach thereto the whole proceedings together with the service book of the servant, if any."

- (8) for Rule 17, the following rule shall be substituted, namely:—

"(17) A service book shall be maintained in the form prescribed in the Civil Service Regulations, for every servant";

- (9) rule 21 shall be omitted;

- (10) in rule 22—

- (a) for sub-rule (1) the following sub-rule shall be substituted, namely:

"(1) No servant shall be retained in the service of a Board after he attains the age of 58 years except with the sanction of the Officer Commanding-in-Chief, the Command, in respect of servants other than lower grade servants, or of the Board in respect of lower grade servants. Extension of service of a servant after he has attained the age of 58 years may be granted by the Officer Commanding-in-Chief, the Command or the Board, as the case may be, for a period not exceeding one year at a time and subject to such directions as the Central Government may from time to time issue, but under no circumstances shall a servant be retained in Service after he attains the age of 60 years".

- (b) in sub-rule (2) for the word "is" occurring after the words "or year and month, of birth" the word "are" shall be substituted;

(11) in rule 29 for the words "laid down by the Government of the Province in which the Cantonment is situate for Government Servants of similar status" the words "laid down in their behalf by the Government of the State in which the Cantonment is situate in respect of Government Servants of similar status" shall be substituted;

- (12) rule 30 shall be omitted;

- (13) in rule 31 for the word "provincial" the word "State" shall be substituted;

- (14) rule 32 shall be omitted;

- (15) for rule 34 the following rule shall be substituted namely:—

"(34) (1) Every servant shall be required by the Board to subscribe at the rate of 6.25 per cent of his salary, to the Provident Fund. Subscriptions shall be recovered by the Board by deduction from every salary bill presented, and shall be credited at once to the Provident Fund. In making such deductions fractions of a rupee shall be omitted.

(2) A servant may, after giving due notice to the Executive Officer, subscribe at a rate higher than 6.25 per cent of the salary. The rate of subscription may be increased or decreased by the servant once during a financial year, after giving due notice to the Executive Officer, but it shall not, at any time, be reduced to less than 6.25 per cent of his salary.

(3) A temporary servant or a servant on probation may be permitted, on confirmation, to subscribe to the Provident Fund with retrospective effect from the date of his continuous appointment temporarily or on probation. The arrears of his subscription with respect to his temporary or probationary service shall be recovered in monthly instalments not exceeding double the number of months for which such subscriptions are due. The arrears of contribution due from the Board in respect of the servant's temporary or probationary service shall be credited simultaneously with the arrears of subscription";

(16) in rule 39—

(a) in sub-rule (1) for the words "Head H-Contributions for General purposes" the words "Head" H-Contributions for General purposes", shall be substituted;

(b) for clauses (a) and (b) of sub-rule (2), the following clauses shall be substituted namely:—

"(a) In addition to the contribution made under sub-rule (1), the Board may, if it deems fit, make further contributions, hereinafter called bonuses, to be credited to the Provident Fund in favour of any servant as follows:—

After 10 years' approved service 2 months' pay.

After 15 years' approved service 3 months' pay.

After 20 years' approved service 3 months' pay.

After 25 years' approved service 4 months' pay.

After 30 years' approved service 4 months' pay.

Such bonuses may be cumulative, that is, a servant who has received a bonus after serving 10 years may, after serving 5 years more, receive a second bonus, and so on. Approved service shall be reckoned as from the date of commencement of service under the Board or under another Board or other Boards if such service is continuous irrespective of the date a servant becomes subscriber to the Provident Fund.

(b) Approved service may, where the Board deems fit, include previous service under another Board or other Boards, if such Board or Boards pay a share of the bonus proportionate to the length of such previous service. The Board shall, subject to the receipt of proportionate share or shares from the other Board or Boards concerned, credit the bonus to the Provident Fund as far as possible within six months from the date the depositor becomes eligible for the same. The charges for the remittance of the proportionate share or shares of bonus shall be borne by the Board concerned;

(c) in sub-rule (5) the words "as a penalty for misconduct" occurring at the end shall be omitted.

(17) in rule 40—

(a) in sub-rule (1), for the words "Imperial Bank of India" the words "State Bank of India" shall be substituted;

(b) in sub-rule (3) for the word "Subscribers" the word "depositors" shall be substituted;

(18) in the heading before rule 41 after the word "when" the word "finally" shall be inserted;

(19) in rule 41—

(a) for the first proviso, the following proviso shall be substituted, namely:—

“Provided that, if the depositor ceases to be a servant by reason of his transfer to the employment of another Board, the amount of the subscriptions and contributions and the interest earned thereby at his credit shall become payable to the credit of his account in the Provident Fund of the Board to whose employment he has been transferred, the remittance charges being borne by the Board remitting the amount”.

(b) in the second proviso—

(i) for the word “Subscriber” the word “depositor” shall be substituted; and

(ii) for the words “Imperial Bank of India” the words “State Bank of India” shall be substituted.

(20) for the heading before rule 42, the heading “Advances from the Provident Fund” shall be substituted;

(21) for rule 42 the following rule shall be substituted, namely:—

“(42) (1) The Executive Officer may sanction the payment to any depositor of an advance consisting of a sum of whole rupees and not exceeding three months’ pay, or the amount of the depositor’s own subscription to the Provident Fund with interest thereon, whichever is less, for one or more of the following purposes, namely:—

(a) to pay expenses in connection with the illness, including, where necessary, the travelling expenses, of the depositor or any member of his family actually dependent on him;

(b) to meet the cost of higher education including where necessary, the travelling expenses, of the depositor or any member of his family actually dependent on him in the following cases, namely:—

(i) for education outside India for an academic, technical, professional or vocational course beyond the High School stage, and

(ii) for any medical, engineering or other technical or specialised course in India beyond the High School stage, provided that the course of study is for not less than three years;

(c) to pay obligatory expenses on a scale appropriate to the status, which by religion or customary use the depositor has to incur in connection with marriage or other ceremonies of himself or of any member of his family actually dependent on him.

Provided that the condition of actual dependence shall not apply in the case of a son or daughter of the depositor;

(d) to meet the cost of legal proceedings instituted by the depositor for vindicating his position in regard to any allegations made against him in respect of any act done or purporting to be done by him in the discharge of his official duty, the advance in this case being available in addition to any advance admissible for the same purpose from the Cantonment Board;

Provided that the advance under this sub-clause shall not be admissible to a depositor who institutes legal proceedings in any court of law either in respect of any matter unconnected with his official duty or against the Board in respect of any condition of service or penalty imposed on him;

(e) to meet the cost of his defence where the depositor is prosecuted by Government or the Board in any court of law or where the depositor engages a legal practitioner to defend him in any enquiry in respect of any alleged official misconduct on his part.

(2) An advance in excess of the limit prescribed in sub-rule (1), or before the lapse of 12 months since the complete payment of the last advance taken by the depositor, shall not be granted except in special circumstances and with the sanction of the Board, which shall record their reasons therefor.”

(22) before rule 43 the following heading shall be inserted, namely:—

“Withdrawals from the Provident Fund”.

(23) for rule 43 the following rule shall be substituted, namely:—

“(43) (1) Subject to the conditions specified herein, non-repayable withdrawals may be sanctioned by the Board at any time after the completion of twenty-five years of service (including broken periods of service, if any) of a depositor or within ten years before the date of his retirement on superannuation whichever is earlier, upto the amount of his on subscription to the Provident Fund and interest thereon, for one or more of the following purposes, namely:—

- (a) Purchasing a house-site suitable for a residence of the depositor himself or repaying any outstanding amount on account of loan expressly taken for this purpose within 12 months prior to the date of the application for withdrawal;
- (b) constructing a house suitable for occupation by the depositor himself on a house site purchased either by utilising the sum withdrawn under clause (a) or otherwise;
- (c) acquiring a suitable house for his residence including the cost of the site or repaying any outstanding amount on account of loan expressly taken for this purpose within 12 months prior to the date of application for withdrawal; or
- (d) reconstructing or making additions or alterations to a house already owned or acquired by a depositor to make it suitable for his residence;

Provided that a depositor who has availed himself of an advance under any scheme of the Government of India or any State Government or any Board for the grant of advances for house building purpose, or has been allowed any assistance in this regard from any other Government source or from the Board, shall not be eligible for the final withdrawal except for the express purpose of re-payment of any loan taken under the aforesaid scheme or from such other Government source or from the Board.

- (2) A depositor who has been permitted to withdraw money from the Provident Fund under sub-rule (1) shall satisfy the Board within such period (not exceeding ten months) as may be specified, that the money has been or is being utilised for the purpose for which it was withdrawn, and if he fails to do so, the whole of the sum so withdrawn, or so much thereof as has not been utilized for the purpose for which it was withdrawn, shall forthwith be repaid by the depositor in one lump sum together with interest thereon at the rate of four per cent per annum and in default of such payment, it shall be recovered from his salary in monthly instalments of a moiety of the salary till the entire amount is repaid by him”.

(24) in rule 44—

- (a) for sub-rule (1) the following sub-rule shall be substituted, namely:—

“(1) An advance shall be recovered at the discretion of the sanctioning authority, in not less than twelve instalments or more than thirty-six. A depositor may, however, at his option make re-payment in less than twelve instalments or may repay two or more instalments at the same time”;

- (b) in sub-rule (3) for the word “Subscriber”, the words “depositor” shall be substituted”;

- (c) in sub-rule (4)—

- (i) for the word and figures “rule 43” the word and figures “rule 42” shall be substituted;

and

- (ii) for the word “twenty-fourth” the word “thirty-sixth” shall be substituted;

- (d) after sub-rule (5), the following sub-rule shall be inserted, namely:—

“(6) Notwithstanding anything contained in these rules, if the sanctioning authority is satisfied that the amount advanced to a depositor from the Provident Fund has been wholly or partly utilised for a purpose other than that for which the advance was granted, the

whole of the amount advanced or so much thereof as has not been utilized for the purpose for which it was given, shall on receipt of orders of the sanctioning authority, be refunded by the depositor in a lumpsum, together with interest at the rate of four per cent per annum within the period specified in such order and in default the amount together with the interest shall be recovered from his salary in monthly instalments of moieties of his salary till the entire amount is recovered from him”;

(25) for rules 45 and 46—the following rules shall be substituted namely:—

“45(1) Interest at the rate of four per cent per annum on the amount of the advance shall be paid by the depositor for the period between the drawal of the advance and its complete repayment.

(2) The interest shall be paid by the depositor as an additional instalment in the month following that in which the last instalment of the advance is paid.

(3) In calculating the interest a fraction of a rupee shall be rounded off to the nearest whole rupee”;

“46. Save as otherwise provided in these rules, the sum at the credit of a depositor in the Provident Fund shall not be liable to forfeiture on dismissal or on conviction by a criminal court, except for an offence for which the penalty of forfeiture of the whole of offender's property is prescribed by law.”

(26) rule 52 shall be omitted.

[No. F. 25/40/G/L&C/61/3105-C/D(Q&C).]

SATYA PAL SARNA, Under Secy.

